

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 00404 090039Z

63

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 NEA-11 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01

PRS-01 SPC-03 SS-20 USIA-15 SAM-01 FEA-02 SCI-06

OMB-01 CIEP-02 COME-00 INT-08 TRSE-00 STR-08 IO-14

DRC-01 /179 W

----- 110121

P R 082239Z FEB 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 2702

INFO AMEMBASSY ROME

AMEMBASSY PARIS

AMEMBASSY TOKYO

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LUXEMBOURG

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS OTTAWA 0404

STATE ALSO FOR T/IEP

E.O. 11652: N/A

TAGS: ENRG CA

SUBJECT: ENERGY: WASHINGTON ENERGY CONFERENCE

FOLLOWING IS THE FULL TEXT OF EXTERNAL AFFAIRS MINISTER
SHARP'S STATEMENT TO THE PRESS THIS AFTERNOON (FEBRUARY 8)
ON THE WASHINGTON ENERGY CONFERENCE:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 00404 090039Z

CANADA WAS PLEASED TO ACCEPT THE UNITED STATES INVITATION TO JOIN WITH IT, CERTAIN COUNTRIES OF EUROPE AND JAPAN IN WASHINGTON ON FEBRUARY 11 AND 12 TO EXAMINE TOGETHER CURRENT ENERGY DEVELOPMENTS. THE SHARP AND SUDDEN RISE IN THE PRICE OF OIL REPRESENTS A POTENTIAL DANGER TO THE WORLD TRADING SYSTEM IF MEASURES ARE NOT TAKEN TO ENSURE CONTINUED GROWTH OF THE WORLD ECONOMY. ACTION BY COUNTRIES TO PROTECT THEIR OWN BALANCE OF PAYMENTS THROUGH COMPETITIVE DEVALUATION OR TRADE RESTRICTIONS COULD RESULT IN AN ADVERSE ECONOMIC CLIMATE WHICH WOULD BE DAMAGING TO ALL MEMBERS OF THE INTERNATIONAL COMMUNITY. IN THIS AREA THE INDUSTRIALIZED COUNTRIES WHICH ARE LARGE USERS OF ENERGY HAVE A SPECIAL RESPONSIBILITY BECAUSE OF THEIR IMPORTANCE IN WORLD TRADE. IT IS THEREFORE APPROPRIATE THAT THEY SHOULD BE HAVING THIS PRELIMINARY MEETING NOW.

THE DEVELOPING COUNTRIES DEPENDENT ON IMPORTED OIL ARE THE HARDEST HIT BY THE SPECTACULAR RISE IN WORLD OIL PRICES. THE COST OF OIL IMPORTS WILL BE FAR GREATER THAN THE TOTAL FLOW OF AID FROM PRESENT DONORS. MOREOVER, THE DEVELOPING COUNTRIES ARE HEAVILY DEPENDENT ON THE CONTINUED EXPANSION OF WORLD TRADE IN VIEW OF THE IMPORTANCE WHICH EXPORTS OF RAW MATERIALS AND MANUFACTURED GOODS PLAY IN THEIR ECONOMIES. THE FUTURE COURSE OF DEVELOPMENT IN SUCH COUNTRIES IS A MATTER OF PROPER CONCERN TO THE INDUSTRIALIZED COUNTRIES BECAUSE OF ITS EFFECTS ON WORLD STABILITY AND PROSPERITY. THERE IS A NEED FOR EXISTING DONORS AND THOSE WHICH ARE BENEFITING FROM INCREASED OIL REVENUES TO ENLARGE THE FLOW OF DEVELOPING AID BILATERALLY AND THROUGH MULTILATERAL INSTITUTIONS.

WE WOULD WELCOME OIL PRODUCERS PLAYING A ROLE IN AID, MONETARY AND FISCAL MATTERS COMMENSURATE WITH THEIR NEW FINANCIAL STATUS. IT IS A MISTAKE TO CONSIDER THAT THERE IS ANY CONFLICT OF INTEREST BETWEEN OIL PRODUCERS AND OIL CONSUMERS IN TERMS OF PROTECTING THE WORLD MONETARY AND FISCAL STRUCTURE. INDEED, ONE OF THE COMPLAINTS OF OIL PRODUCERS HAS BEEN THE DEPRECIATING UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OTTAWA 00404 090039Z

VALUE OF THE MONEY THEY HAVE RECEIVED FOR THEIR OIL EXPORTS.

BECAUSE OF THE COMPLEX INTERPLAY OF INTERESTS IN RELATION TO OIL AVAILABILITY AND PRICES THERE IS A NEED FOR BROADLY-BASED INTER-GOVERNMENTAL DISCUSSIONS ON MEANS FOR ENSURING THE DEPENDABILITY OF OIL SUPPLY AND PRICES WHICH ARE REASONABLE FROM THE POINT OF VIEW OF PRODUCERS AND

CONSUMERS. SUCH PRICES MIGHT ELFECT THE COST OF
BRINGING ON NEW CONVENTIONAL AND NON-CONVENTIONAL SOURCES
OF ENERGY. IN ANY INTERGOVERNMENTAL DISCUSSIONS IT WOULD
BE AN OBJECTIVE OF CANADA TO DISCOURAGE THE USE OF OIL
AND OTHER COMMODITIES FOR POLITICAL PURPOSES. IT HAS NOT
BEEN CANADIAN PRACTICE TO IMPOSE POLITICAL CONDITIONS UPON
ITS EXPORT OF COMMODITIES AND IT DOES NOT BELIEVE THAT
ACTIONS BY OTHER EXPORTERS TO USE COMMODITY EXPORTS FOR
POLITICAL PURPOSES IS IN THE BEST LONG-TERM INTERESTS
OF THE WORLD COMMUNITY AND THEREFORE OF THEMSELVES.

PETROLEUM IS A NON-RENEWABLE RESOURCE AND IT IS THERE-
FORE IMPORTANT THAT THE INTERNATIONAL COMMUNITY WORK
TOGETHER TO DEVISE WAYS TO EXTRACTING THE FULL ENERGY
VALUE FROM WORLD RESERVES OF HYDROCARBONS AND TO DEVELOP
ALTERNATE SOURCES FOR THE ENERGY WHICH WILL BE REQUIRED
IN THE DECADES AHEAD. IT IS A CANADIAN OBJECTIVE TO
ENCOURAGE A POOLING OF ENERGY RESEARCH AND DEVELOPMENT
AMONGST DEVELOPED COUNTRIES AND AT THE SAME TIME TO
FACILITATE ACCESS TO SUCH TECHNOLOGY BY DEVELOPING
COUNTRIES IN VIEW OF THEIR PARTICULAR VULNERABILITY TO
INCREASES IN THE COST OF IMPORTED ENERGY SUPPLIES.
JOHNSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, FOREIGN MINISTERS MEETINGS, MEETING DELEGATIONS, PRICES, FOREIGN TRADE, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 08 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OTTAWA00404
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740245/aaaabqmh.tel
Line Count: 138
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 27 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 FEB 2002 by elbezefj>; APPROVED <29 APR 2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: WASHINGTON ENERGY CONFERENCE FOLLOWING IS THE FULL TEXT OF EXTERNAL AFFAIRS MINISTER
TAGS: ENRG, CA, US, (SHARP, MITCHELL)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005